

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7822**

**BILL NUMBER:** SB 412

**NOTE PREPARED:** Apr 14, 2003

**BILL AMENDED:** Feb 11, 2003

**SUBJECT:** Custodial Accounts.

**FIRST AUTHOR:** Sen. Kenley

**FIRST SPONSOR:** Rep. Oxley

**BILL STATUS:** As Passed - House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill requires the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF) to manage the funds' custodial accounts using a bank or trust company that is: (1) domiciled in the United States; and (2) approved by the Director of the Indiana Department of Financial Institutions (DFI).

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** (Revised) The bill requires both PERF and TRF to manage the funds' custodial accounts using a bank or trust company that is: (1) domiciled in the United States; and (2) approved by the Director of the DFI. The DFI reports that this requirement will have no fiscal impact on them since the determinations required to be made currently are made via computers with the necessary data readily available.

The proposal also calls for the Director of the DFI to create an application form for an institution wishing to manage custodial accounts. The Department of Administration reports that 1,000 one-sided forms can be purchased for approximately \$230, while 1,000 two-sided forms would cost about \$400. The fund affected is the state General Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Public Employees' Retirement Fund and the Teachers' Retirement Fund.

**Local Agencies Affected:**

**Information Sources:** Doug Mills, Chief Financial Officer of PERF, 234-2075; Bob Newland, Chief Investment Officer of TRF, 232-3868; Phil Goddard, Department of Financial Institutions, 232-3955.

**Fiscal Analyst:** James Sperlik, 317-232-9866.